

**DEPARTMENT OF AGRICULTURE  
P.A. 516 of 2002**

FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2001-02 YEAR-TO-DATE	FY 2002-03 GOV'S REC.	FY 2002-03 YEAR-TO-DATE	CHANGES FROM FY 2001-02 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions .....	647.5	629.5	629.5	(18.0)	(2.8)
<b>GROSS .....</b>	<b>100,701,700</b>	<b>97,454,200</b>	<b>95,730,800</b>	<b>(4,970,900)</b>	<b>(4.9)</b>
Less:					
Interdepartmental Grants Received .....	12,238,100	10,953,800	10,953,800	(1,284,300)	(10.5)
<b>ADJUSTED GROSS .....</b>	<b>88,463,600</b>	<b>86,500,400</b>	<b>84,777,000</b>	<b>(3,686,600)</b>	<b>(4.2)</b>
Less:					
Federal Funds .....	6,957,000	6,639,500	6,639,500	(317,500)	(4.6)
Local and Private .....	1,121,900	1,127,600	1,127,600	5,700	0.5
<b>TOTAL STATE SPENDING .....</b>	<b>80,384,700</b>	<b>78,733,300</b>	<b>77,009,900</b>	<b>(3,374,800)</b>	<b>(4.2)</b>
Less:					
Other State Restricted Funds .....	38,753,700	37,932,400	37,932,400	(821,300)	(2.1)
<b>GENERAL FUND/GENERAL PURPOSE ..</b>	<b>41,631,000</b>	<b>40,800,900</b>	<b>39,077,500</b>	<b>(2,553,500)</b>	<b>(6.1)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>3,754,400</b>	<b>3,854,400</b>	<b>3,754,400</b>	<b>0</b>	<b>0.0</b>

**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**A. FEDERAL FUNDING**

The budget includes additional Federal resources to support enhanced pesticide residue monitoring and microbiological testing in the Laboratory Division. Additional Federal support also is included for antimicrobial testing associated with food-borne pathogens.

FTE	8.0
Gross	1,052,700
Federal	1,052,700
GF/GP	0

**B. MICHIGAN STATE FAIR**

The budget reduces restricted revenue authorization to the Michigan State Fair to reflect resource availability.

Gross	(900,000)
Restricted	(900,000)
GF/GP	0

**C. STAFF REDUCTIONS**

The budget includes a reduction of 9.0 FTEs and the associated funding in order to fund the employee-related standard economic increases.

FTE	(9.0)
Gross	(537,100)
GF/GP	(537,100)

**D. UNDESIGNATED EARLY RETIREMENT SAVINGS**

The budget includes net GF/GP savings associated with the 2002 early retirement program for State employees. A total of 76 Department of Agriculture employees participated in the program, while the Department was restricted to a retirement/re-hire ratio of 4 to 1, for a total replacement of 19 positions. These savings will be applied to the appropriate line items via legislative transfers based on Department priority-setting.

Gross	(1,315,500)
GF/GP	(1,315,500)

**E. UNDESIGNATED BUDGETARY SAVINGS**

The budget includes undesignated GF/GP savings of \$408,000 to be applied to the appropriate line items via legislative transfers.

Gross	(408,000)
GF/GP	(408,000)

**F. PROGRAM TRANSFER**

The budget transfers 15.0 FTEs to the new Department of Information Technology. The budget also consolidates information technology funding (totaling \$1,907,300 Gross and \$1,639,300 GF/GP), previously dispersed throughout the budget, in a new appropriation unit. This funding will be used to pay for user charges assessed by the new Department for services provided to the Michigan Department of Agriculture.

FTE	(15.0)
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**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**G. FEE INCREASE**

The budget includes various fee increases in the Pesticide Program to support enhanced regulatory oversight and compliance with applicable rules and regulations. The FY 2001-02 budget includes estimated revenue of \$225,000 from these fee increases under the Pesticide Control Act. The FY 2002-03 budget includes authorization to spend an additional \$60,000 above the original amount for a total of \$285,000. Authorization for the fee increases is contained in Public Act 418 of 2002.

Gross	60,000
Restricted	60,000
GF/GP	0

**H. UNCLASSIFIED SALARIES**

The budget includes a 2% increase to the line that funds the salaries of the Department's six unclassified positions.

Gross	9,700
Restricted	1,500
GF/GP	8,200

**I. ECONOMIC ADJUSTMENTS**

Standard economic adjustments are applied for salaries and wages, total retirement, lump sum payments, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. These adjustments include:

Gross	820,200
IDG	3,500
Federal	5,300
Private	5,700
Restricted	64,500
GF/GP	741,200

Item	Gross	GF/GP
Salaries	\$656,700	\$539,000
Retirement	20,300	17,000
Lump Sum Payments	(212,100)	(170,100)
Building Occupancy Charges	212,300	212,300
Workers' Compensation	143,000	143,000
Total	\$820,200	\$741,200

**FY 2002-03  
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Year-to-Date**

**J. OTHER ISSUES**

The budget includes various other adjustments: a reduction to reflect the end of the required payouts associated with the 1997 early retirement program, administrative savings in the Communications/Marketing Division, funding shifts to replace GF/GP dollars with equal amounts of restricted revenue, changes to reflect available restricted revenue, elimination of GF/GP support for the Upper Peninsula State Fair, and adjustments to account for mid-year contingency fund transfers and the one-time supplemental appropriation for indemnification payments.

Gross	(2,691,000)
IDG	(1,157,800)
Federal	(1,375,500)
Restricted	884,600
GF/GP	(1,042,300)

The enacted budget includes GF/GP reductions to three line items: local conservation districts (\$488,600), Food Bank Council of Michigan (\$158,200), and horse shows (\$23,300). Pursuant to boilerplate Section 225, these reductions are to be restored if the tax on cigarettes under the Tobacco Products Tax Act is increased by 30 cents or more per pack on or before September 30, 2002. Public Act 503 of 2002 increased the tax on cigarettes under the Tobacco Products Tax Act by 50 cents, thus restoring the funding to these appropriations and returning the items to their FY 2001-02 GF/GP levels.

**K. VETOES**

**1. Farmland and Open Space Preservation**

The Governor vetoed a new appropriation of \$50,000 Gross from the Environmental Protection Fund that was intended to cover the required State payments to local units of government under the Farmland and Open Space Preservation Program.

**2. Fairs and Festival Promotion**

The Governor vetoed a new appropriation of \$60,000 Gross from the State Services Fee Fund that was intended to provide statewide volunteer training and promotion of commodities.

		<b>FY 2002-03 Change from FY 2001-02 Year-to-Date</b>
<b>3. Agriculture Equine Industry Development Fund</b>		
	FTE	(2.0)
	Gross	(1,061,900)
	Restricted	(1,061,900)
	GF/GP	0
<p>The total level of appropriations from the Fund was reduced from the current year-to-date level of \$13,478,900 to \$1,151,300. The Governor vetoed the restricted funding for all 13 horse racing grants funded by the Agriculture Equine Industry Development Fund in the Conference Committee Report, totaling \$10,118,000.</p> <p>The Governor also vetoed an appropriation from the Fund to the Office of Racing Commissioner (\$1,147,700). In his veto message, the Governor indicated that he did not support enhancements from the Fund that resulted from the additional State Services Fee Fund resources included in the Conference Committee Report (described below).</p> <p>The remaining reduction in appropriations from current-year levels (\$1,061,900) is the result of decreased revenue availability in the Fund. Previous-year appropriations were supported, in part, by carryforward balances in the Fund.</p> <p>Public Act 560 of 2002 restored funding for 12 of the 13 line items vetoed by the Governor. The funding for these grants and the Office of Racing Commissioner was restored at the Governor's original recommended levels. Thus, the only reduction from current year is \$1,061,900 associated with revenue availability.</p>		

**4. State Services Fee Fund**

The enrolled bill included an additional \$1,300,000 appropriation from the State Services Fee Fund to the Office of Racing Commissioner (ORC). This funding was used to replace an equal amount of funding from the Agriculture Equine Industry Development Fund, which was distributed proportionately to the various horse racing programs based on FY 2001-02 enacted levels. The State Services Fee Fund receives the annual assessments from the three Detroit casinos.

The Governor vetoed the additional \$1,300,000, indicating that he did not support additional appropriations from the Fund to the ORC. The veto of the entire ORC line item effectively eliminated all funding for that Office (\$2,600,000 State Services Fee Fund and \$1,147,700 Agriculture Equine Industry Development Fund).

The veto of the Office of Racing Commissioner line item was restored to the Governor's recommended level of \$3,641,900 (\$1,300,000 State Services Fee Fund and \$2,341,900 Agriculture Equine Industry Development Fund) in Public Act 560 of 2002.